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Title of Document Transmitted:	**TRANSMITTALS AND BRIEF OF APPELLANTS**
Applicant:	George R. Hood et al.
Serial No.:	09/610,646
Filed:	June 29, 2000
Group Art Unit:	3627
Title:	BASIC AND INTERMEDIATE NET INTEREST REVENUE IMPLEMENTATIONS FOR FINANCIAL PROCESSING IN A RELATIONAL DATABASE MANAGEMENT SYSTEM
Our Ref. No.:	8980

Please charge all fees to Deposit Account No. 14-0225 of NCR Corporation, the assignee of the present application.

By: ______________
Name: George H. Gates
Reg. No.: 33,500

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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

Applicant:	George R. Hood et al.	Examiner:	Andrew J. Rudy
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CERTIFICATE OF MAILING OR TRANSMISSION UNDER 37 CFR 1.8

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Dear Sir:

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☒ Transmittal sheet, in duplicate, containing a Certificate of Mailing or Transmission under 37 CFR 1.8.
☒ Brief of Appellant(s).

Please consider this a PETITION FOR EXTENSION OF TIME for a sufficient number of months to enter these papers, if appropriate.

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By: [signature]
Name: George H. Gates
Reg. No.: 33,500
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Due Date: June 30, 2007

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE BOARD OF PATENT APPEALS AND INTERFERENCES

In re Application of:	
Inventor: George R. Hood et al.	Examiner: Andrew J. Rudy
Serial #: 09/610,646	Group Art Unit: 3627
Filed: June 29, 2000	Appeal No.: ________
Title: BASIC AND INTERMEDIATE NET INTEREST REVENUE IMPLEMENTATIONS FOR FINANCIAL PROCESSING IN A RELATIONAL DATABASE MANAGEMENT SYSTEM	

BRIEF OF APPELLANTS

MAIL STOP APPEAL BRIEF - PATENTS
Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

Dear Sir:

In accordance with 37 CFR §41.37, Appellants' attorney hereby submits the Brief of Appellants on appeal from the final rejection in the above-identified application as set forth in the Office Action dated February 1, 2007.

No fee is required for filing this Brief of Appellant, since this is a request for reinstatement of the previous appeal. However, the Office is authorized to charge any necessary fees or credit any overpayments to Deposit Account No. 14-0225 of NCR Corporation, the assignee of the present invention.

I. REAL PARTY IN INTEREST

The real party in interest is NCR Corporation, the assignee of the present application.

II. RELATED APPEALS AND INTERFERENCES

There are or have been related appeals in the following co-pending and commonly-assigned patent applications:

Application Serial No. 09/608,681, filed on June 29, 2000, by George R. Hood, entitled OTHER REVENUE IMPLEMENTATION FOR FINANCIAL PROCESSING IN A RELATIONAL DATABASE MANAGEMENT SYSTEM, attorney's docket number 9015 (30145.391US01);

Application Serial No. 09/608,682, filed on June 29, 2000, by George R. Hood, entitled RISK PROVISION IMPLEMENTATION FOR FINANCIAL PROCESSING IN A RELATIONAL DATABASE MANAGEMENT SYSTEM, attorney's docket number 9011 (30145.392US01);

Application Serial No. 09/610,646, filed on June 29, 2000, by George R. Hood et al., entitled BASIC AND INTERMEDIATE NET INTEREST REVENUE IMPLEMENTATIONS FOR FINANCIAL PROCESSING IN A RELATIONAL DATABASE MANAGEMENT SYSTEM, attorney's docket number 8980 (30145.397US01);

Application Serial No. 09/608,355, filed on June 29, 2000, by George R. Hood et al., entitled ADVANCED AND BREAKTHROUGH NET INTEREST REVENUE IMPLEMENTATION FOR FINANCIAL PROCESSING IN A RELATIONAL DATABASE MANAGEMENT SYSTEM, attorney's docket number 9006 (30145.401US01);

Application Serial No. 09/943,060, filed on August 30, 2001, by Paul H. Phibbs, Jr., entitled CAPTIAL ALLOCATION IN A NET INTEREST REVENUE IMPLEMENTATION FOR FINANCIAL PROCESSING IN A RELATIONAL DATABASE MANAGEMENT SYSTEM, attorney's docket number 9391 (30145.404USU1);

Application Serial No. 09/943,059, filed on August 30, 2001, by Paul H. Phibbs, Jr., entitled ALLOCATED BALANCES IN A NET INTEREST REVENUE IMPLEMENTATION FOR FINANCIAL PROCESSING IN A RELATIONAL DATABASE MANAGEMENT SYSTEM, attorney's docket number 9512 (30145.405USU1);

Application Serial No. 09/845,461, filed on April 30, 2001, by George Robert Hood, entitled TAX ADJUSTMENT FOR FINANCIAL PROCESSING IN A RELATIONAL DATABASE MANAGEMENT SYSTEM, attorney's docket number 9522 (30145.415US01);

Application Serial No. 10/016,779, filed on December 10, 2001, by Brian J. Wasserman, entitled PARALLEL SELECTION PROCESSING FOR FINANCIAL PROCESSING IN A RELATIONAL DATABASE MANAGEMENT SYSTEM, attorney's docket number 9620 (30145.416US01);

Application Serial No. 10/013,422, filed on December 10, 2001, by Brian J. Wasserman, entitled ACCOUNT SELECTION FOR FINANCIAL PROCESSING IN A RELATIONAL DATABASE MANAGEMENT SYSTEM, attorney's docket number 9621 (30145.417US01);

Application Serial No. 10/013,434, filed on December 10, 2001, by Brian J. Wasserman, entitled DRIVER AMOUNT AND COUNT SELECTION PROCESSING FOR FINANCIAL PROCESSING IN A RELATIONAL DATABASE MANAGEMENT SYSTEM, attorney's docket number 9675 (30145.418US01);

Application Serial No. 10/016,452, filed on December 10, 2001, by Brian J. Wasserman et al., entitled DYNAMIC EVENT SELECTION FOR FINANCIAL PROCESSING IN A RELATIONAL DATABASE MANAGEMENT SYSTEM, attorney's docket number 9618 (30145.419US01);

Application Serial No. 09/845,851, filed on April 30, 2001, by George Robert Hood, entitled SHAREHOLDER VALUE ADD FOR FINANCIAL PROCESSING IN A RELATIONAL DATABASE MANAGEMENT SYSTEM, attorney's docket number 9511 (30145.421US01); and

Application Serial No. 09/845,924, filed on April 30, 2001, by George Robert Hood, entitled AMORTIZATION FOR FINANCIAL PROCESSING IN A RELATIONAL DATABASE MANAGEMENT SYSTEM, attorney's docket number 9435 (30145.422US01).

III. STATUS OF CLAIMS

Claims 1-66 are pending in the application.

Claims 1-66 were rejected under 35 U.S.C. §103(a) as being unpatentable in view of

"Raising Relationships II," John R. Johnson, June 1999.

Claims 1-66 are being appealed.

IV. STATUS OF AMENDMENTS

No amendments have been made subsequent to the previous Office Action.

V. SUMMARY OF THE INVENTION

Appellants' independent claims 1, 23 and 24 are generally directed to an invention that performs financial processing in a computer.

Independent claim 1 recites a method of performing financial processing in a computer (100). (See, page 3, lines 1-19; page 7, lines 13-23 referring to 102, 104 and 106 in FIG. 1; and page 27, line 1 through page 29, line 15 referring to 414 in FIG. 4.) The method includes accessing account, event and organization attributes (202, 204, 206) from a database (106) accessible by the computer (100), wherein: (1) the account attributes (202) comprise data about accounts being measured, (2) the event attributes (204) comprise data about account-related transactions, and (3) the organization attributes (206) comprise data about the organization's financial status. (See, page 3, lines 1-19; page 4, line 17 through page 6, line 3; page 9, line 1 through page 11, line 4 referring to 202, 204 and 206 in FIG. 2; and page 27, line 1 through page 29, line 15 referring to 414 in FIG. 4.) The method also includes performing one or more profitability calculations (200) in the computer (100) using the account, event and organization attributes (202, 204, 206) accessed from the database (106), as well as one or more profit factors (208) and one or more rules (210), wherein the profitability calculations (200) include:

$$\begin{aligned} \text{Profit} \;=\; & \text{Net Interest Revenue (NIR)} \\ + \;& \text{Other Revenue (OR)} \\ - \;& \text{Direct Expense (DE)} \\ - \;& \text{Indirect Expense (IE)} \\ - \;& \text{Risk Provision (RP).} \end{aligned}$$

(See, page 3, lines 1-19; page 4, line 17 through page 6, line 3; page 9, line 1 through page 13, line 16 referring to 200, 202, 204, 206, 208 and 210 in FIG. 2; page 13, line 18 through page 14,

line 10 referring to 200 in FIG. 2; and page 27, line 1 through page 29, line 15 referring to 414 in FIG. 4.)

The Net Interest Revenue (NIR) is calculated as:

NIR	=	Interest Revenue
	–	Cost of Funds
	+	Value of Funds
	–	Interest Expense.

(See, page 3, lines 1-19; page 4, line 17 through page 6, line 3; page 15, lines 8-14; and page 27, line 1 through page 29, line 15 referring to 414 in FIG. 4.)

Independent claim 23 recites a system for financial processing, wherein the system includes a computer (100) and logic performed by the computer (100). (See, page 3, lines 1-19; page 7, lines 13-23 referring to 102, 104 and 106 in FIG. 1; and page 27, line 1 through page 29, line 15 referring to 414 in FIG. 4.) The logic includes accessing account, event and organization attributes (202, 204, 206) from a database (106) accessible by the computer (100), wherein: (1) the account attributes (202) comprise data about accounts being measured, (2) the event attributes (204) comprise data about account-related transactions, and (3) the organization attributes (206) comprise data about the organization's financial status. (See, page 3, lines 1-19; page 4, line 17 through page 6, line 3; page 9, line 1 through page 11, line 4 referring to 202, 204 and 206 in FIG. 2; and page 27, line 1 through page 29, line 15 referring to 414 in FIG. 4.) The logic also includes performing one or more profitability calculations (200) in the computer (100) using the account, event and organization attributes (202, 204, 206) accessed from the database (106), as well as one or more profit factors (208) and one or more rules (210), wherein the profitability calculations (200) include:

Profit	=	Net Interest Revenue (NIR)
	+	Other Revenue (OR)
	-	Direct Expense (DE)
	-	Indirect Expense (IE)
	-	Risk Provision (RP).

(See, page 3, lines 1-19; page 4, line 17 through page 6, line 3; page 9, line 1 through page 13, line 16 referring to 200, 202, 204, 206, 208 and 210 in FIG. 2; page 13, line 18 through page 14, line 10 referring to 200 in FIG. 2; and page 27, line 1 through page 29, line 15 referring to 414 in FIG. 4.)

The Net Interest Revenue (NIR) is calculated as:

$$\begin{aligned} \text{NIR} = &\ \text{Interest Revenue} \\ - &\ \text{Cost of Funds} \\ + &\ \text{Value of Funds} \\ - &\ \text{Interest Expense.} \end{aligned}$$

(See, page 3, lines 1-19; page 4, line 17 through page 6, line 3; page 15, lines 8-14; and page 27, line 1 through page 29, line 15 referring to 414 in FIG. 4.)

Independent claim 24 recites an article of manufacture embodying logic for performing financial processing in a computer (100). (See, page 3, lines 1-19; page 7, lines 13-23 referring to 102, 104 and 106 in FIG. 1; and page 27, line 1 through page 29, line 15 referring to 414 in FIG. 4.) The logic includes accessing account, event and organization attributes (202, 204, 206) from a database (106) accessible by the computer (100), wherein: (1) the account attributes (202) comprise data about accounts being measured, (2) the event attributes (204) comprise data about account-related transactions, and (3) the organization attributes (206) comprise data about the organization's financial status. (See, page 3, lines 1-19; page 4, line 17 through page 6, line 3; page 9, line 1 through page 11, line 4 referring to 202, 204 and 206 in FIG. 2; and page 27, line 1 through page 29, line 15 referring to 414 in FIG. 4.) The logic also includes performing one or more profitability calculations (200) in the computer (100) using the account, event and organization attributes (202, 204, 206) accessed from the database (106), as well as one or more profit factors (208) and one or more rules (210), wherein the profitability calculations (200) include:

$$\begin{aligned} \text{Profit} = &\ \text{Net Interest Revenue (NIR)} \\ + &\ \text{Other Revenue (OR)} \\ - &\ \text{Direct Expense (DE)} \\ - &\ \text{Indirect Expense (IE)} \end{aligned}$$

- Risk Provision (RP).

(See, page 3, lines 1-19; page 4, line 17 through page 6, line 3; page 9, line 1 through page 13, line 16 referring to 200, 202, 204, 206, 208 and 210 in FIG. 2; page 13, line 18 through page 14, line 10 referring to 200 in FIG. 2; and page 27, line 1 through page 29, line 15 referring to 414 in FIG. 4.)

The Net Interest Revenue (NIR) is calculated as:

$$\begin{aligned} \text{NIR} \;=\; & \text{Interest Revenue} \\ - \; & \text{Cost of Funds} \\ + \; & \text{Value of Funds} \\ - \; & \text{Interest Expense.} \end{aligned}$$

(See, page 3, lines 1-19; page 4, line 17 through page 6, line 3; page 15, lines 8-14; and page 27, line 1 through page 29, line 15 referring to 414 in FIG. 4.)

VI. GROUNDS OF REJECTION TO BE REVIEWED ON APPEAL

1. Whether claims 1-66 are obvious under 35 U.S.C. §103(a) in view of "Raising Relationships II," John R. Johnson, June 1999.

VII. ARGUMENTS

A. The Office Action Rejections

In paragraph (3) of the Office Action, claims 1-66 were rejected under 35 U.S.C. §103(a) as being unpatentable over "Raising Relationships II," John R. Johnson, June 1999.

Appellants' attorney respectfully traverses these rejections.

B. Appellants' Independent Claims

As noted above, Appellants' independent claims 1, 23 and 24 are generally directed to an invention that performs financial processing in a computer. Claim 1 is representative and comprises the steps of:

(a) accessing account, event and organization attributes from a database accessible by the computer, wherein: (1) the account attributes comprise data about accounts being measured, (2)

the event attributes comprise data about account-related transactions, and (3) the organization attributes comprise data about the organization's financial status;

(b) performing one or more profitability calculations in the computer using the account, event and organization attributes accessed from the database, as well as one or more profit factors and one or more rules, wherein the profitability calculations include:

Profit	=	Net Interest Revenue (NIR)
	+	Other Revenue (OR)
	-	Direct Expense (DE)
	-	Indirect Expense (IE)
	-	Risk Provision (RP)

(c) wherein the Net Interest Revenue (NIR) is calculated as:

NIR	=	Interest Revenue
	–	Cost of Funds
	+	Value of Funds
	–	Interest Expense.

C. <u>The Johnson Reference</u>

The Johnson reference is an article entitled "Raising Relationships II," by John R. Johnson, June 1999. The Johnson reference describes predictive modeling, which is an approach to building relationships with customers of banks.

D. <u>Arguments Directed To The First Grounds for Rejection: Whether Claims 1-66 Are Obvious Under 35 U.S.C. §103(a) In View of Johnson.</u>

<u>1. Claims 1, 23 and 24</u>

Appellants' attorney respectfully submits that Appellants' claimed invention is patentable over Johnson in combination with Official Notice. Specifically, Appellants' attorney asserts that the combination of Johnson and Official Notice does not teach or suggest the specific combination of elements recited in Appellants' claims.

Nonetheless, the Office Action cites to the following locations in Johnson:

Five-part profitability

Profitability in banks is comprised of many parts. In general, the five essential ones are: net interest revenue, other revenue, direct expenses, indirect expenses and risk provision.

Many of the components, such as balance, fees, service charges, transactions and account life-span can be estimated. The results of profitability modeling are not binary, as with the response or ownership areas discussed earlier. Instead, it yields a set of values that can be used in profitability calculations.

Other revenue and expense components, such as expense allocations and risk, can be estimated through business modeling. The product of both kinds of modeling is estimated profit for each account (interest checking, non-interest checking, savings, etc.)

Once the probability-of-response and estimated profitability are available, they can be combined to form additional marketing intelligence. The product of the magnitude of gain or loss by the probability of that gain or loss actually occurring is the potential profit. This potential-profit figure incorporates profitability and response and increases the efficiency of targeting.

Because estimated profitability is available for each product a customer may purchase, it helps determine how many marketing dollars can be reasonably allocated to selling a specific product or service to a specific household. Combining probability-of-response and profitability helps eliminate the sale of unprofitable accounts. On the other hand, it helps eliminate the tendency to market those products that are profitable, but generally not needed.

Once the bank has a system for selecting the product that the customer is most likely to purchase at the highest profit level possible, the institution must get the specific products and incentives to the various touch-points.

Assuming the bank has done an effective job of positioning itself in the marketplace and with its customers, has established a way to identify a time when customers should be contacted and has established a methodology to predict customer needs - what's next?

Appellants' attorney respectfully submits that the above portions of Johnson do not teach or suggest all of the elements of Appellants' independent claims 1, 23 and 24.

For example, the above portions of Johnson do not teach or suggest the claimed elements of accessing account, event and organization attributes from a database accessible by the computer, wherein: (1) the account attributes comprise data about accounts being measured, (2) the event attributes comprise data about account-related transactions, and (3) the organization attributes comprise data about the organization's financial status, and performing one or more

profitability calculations in the computer using the account, event and organization attributes accessed from the database, as well as one or more profit factors and one or more rules, wherein the profitability calculations include:

Profit	=	Net Interest Revenue (NIR)
	+	Other Revenue (OR)
	-	Direct Expense (DE)
	-	Indirect Expense (IE)
	-	Risk Provision (RP)

In another example, the above portions of Johnson do not teach or suggest the claimed profitability calculations wherein the Net Interest Revenue (NIR) is calculated as:

NIR	=	Interest Revenue
	–	Cost of Funds
	+	Value of Funds
	–	Interest Expense.

Instead, the "net interest revenue" referred to in Johnson merely comprises a general recitation of the phrase in the context of five-part profitability. However, the net interest revenue of Johnson does not include the Appellants' recited claim elements of the Net Interest Revenue (NIR) being calculated as:

NIR	=	Interest Revenue
	–	Cost of Funds
	+	Value of Funds
	–	Interest Expense.

Indeed, Johnson is merely a description of the general accounting concepts and principles of the five-part profitability, but does not describe Appellants' specific account, event and organization attributes, Appellants' profit factors and rules, or Appellants' specific Net Interest Revenue elements used in Appellants' profitability calculations.

With regard to the Official Notice, the Office Action errs when it asserts that the Net Interest Revenue has been considered common knowledge in the financial processing art and that the dependent claim limitations are deemed to have been common knowledge in the art at least

one year prior to Appellants' filing date. As noted at M.P.E.P. §2144.03, there must be some form of evidence in the record to support an assertion of common knowledge, but no such evidence exists in this instance. It appears that the Office Action relies upon Johnson as this evidence, when it asserts that to have provided such elements for Johnson would have been obvious to one of skill in the art. However, this assertion is erroneous. As noted above, Johnson does not teach or suggest all the elements recited in Applicant's claims. Consequently, the Official Notice comprises mere conclusions by the Office Action and cannot be supported by actual evidence.

Thus, the combination of Johnson and Official Notice does not teach or suggest the specific combination of elements recited in Appellants' claims. Moreover, the Examiner's assertions that the elements of Appellants' invention would have been obvious to one of ordinary skill in the art is unsupported by the evidence. Instead, this assertion merely reflects the improper application of hindsight by the Examiner.

Appellants' claimed invention provides operational advantages over the prior art. Appellants' invention describes a more sophisticated model for implementing profitability calculations in a computer system, as well as a different, more sophisticated set of relationships between the elements of the model. Johnson fails to teach or suggest the specific model, all of the elements of the model, or the relationships between the various elements.

Thus, Appellants' attorney submits that independent claims 1, 23 and 24 are allowable over Johnson in view of Official Notice. Further, dependent claims 2-22 and 25-66 are submitted to be allowable over Johnson in view of Official Notice in the same manner, because they are dependent on independent claims 1, 23 and 24, respectively, and because they contain all the limitations of the independent claims. In addition, dependent claims 2-22 and 25-66 recite additional novel elements not shown by Johnson in view of Official Notice.

2. Claims 2, 25 and 46

Claims 2, 25 and 46 recite that the Net Interest Revenue is calculated for every account. The Office Action rejects these claims only generally, i.e., on the same basis as the independent claims, without citing any specific location within the reference as teaching these limitations.

Appellants' attorney disagrees with this analysis, and submits that nowhere does the reference teach or suggest the limitations of these claims.

3. Claims 3, 26 and 47

Claims 3, 26 and 47 recite that the Net Interest Revenue represents a total interest generated from all deposit and lending activities. The Office Action rejects these claims only generally, i.e., on the same basis as the independent claims, without citing any specific location within the reference as teaching these limitations. Appellants' attorney disagrees with this analysis, and submits that nowhere does the reference teach or suggest the limitations of these claims.

4. Claims 4, 27 and 48

Claims 4, 27 and 48 recite that the Net Interest Revenue is calculated from a Deposit Spread, a Lending Spread, and an Asset/Liability Management (ALM) Spread. The Office Action rejects these claims only generally, i.e., on the same basis as the independent claims, without citing any specific location within the reference as teaching these limitations. Appellants' attorney disagrees with this analysis, and submits that nowhere does the reference teach or suggest the limitations of these claims.

5. Claims 5, 28 and 49

Claims 5, 28 and 49 recite that the Deposit Spread comprises a difference between the Interest Expense and the Value of Funds. The Office Action rejects these claims only generally, i.e., on the same basis as the independent claims, without citing any specific location within the reference as teaching these limitations. Appellants' attorney disagrees with this analysis, and submits that nowhere does the reference teach or suggest the limitations of these claims.

6. Claims 6, 29 and 50

Claims 6, 29 and 50 recite that the Interest Expense comprises a cost of borrowing funds. The Office Action rejects these claims only generally, i.e., on the same basis as the independent

claims, without citing any specific location within the reference as teaching these limitations. Appellants' attorney disagrees with this analysis, and submits that nowhere does the reference teach or suggest the limitations of these claims.

7. Claims 7, 30 and 51

Claims 7, 30 and 51 recite that the Value of Funds represents a rate at which borrowed funds could be invested. The Office Action rejects these claims only generally, i.e., on the same basis as the independent claims, without citing any specific location within the reference as teaching these limitations. Appellants' attorney disagrees with this analysis, and submits that nowhere does the reference teach or suggest the limitations of these claims.

8. Claims 8, 31 and 52

Claims 8, 31 and 52 recite that the Lending Spread comprises a difference between the Cost of Funds and the Interest Revenue. The Office Action rejects these claims only generally, i.e., on the same basis as the independent claims, without citing any specific location within the reference as teaching these limitations. Appellants' attorney disagrees with this analysis, and submits that nowhere does the reference teach or suggest the limitations of these claims.

9. Claims 9, 32 and 53

Claims 9, 32 and 53 recite that the Interest Revenue comprises a return generated by lending funds. The Office Action rejects these claims only generally, i.e., on the same basis as the independent claims, without citing any specific location within the reference as teaching these limitations. Appellants' attorney disagrees with this analysis, and submits that nowhere does the reference teach or suggest the limitations of these claims.

10. Claims 10, 33 and 54

Claims 10, 33 and 54 recite that the Costs of Funds represents an expense generated by lending funds. The Office Action rejects these claims only generally, i.e., on the same basis as the independent claims, without citing any specific location within the reference as teaching

these limitations. Appellants' attorney disagrees with this analysis, and submits that nowhere does the reference teach or suggest the limitations of these claims.

11. Claims 11, 34 and 55

Claims 11, 34 and 55 recite that the Asset/Liability Management Spread comprises a difference between maturity characteristics of funds lent. The Office Action rejects these claims only generally, i.e., on the same basis as the independent claims, without citing any specific location within the reference as teaching these limitations. Appellants' attorney disagrees with this analysis, and submits that nowhere does the reference teach or suggest the limitations of these claims.

12. Claims 12, 35 and 56

Claims 12, 35 and 56 recite that the Net Interest Revenue also includes earnings on allocated equity. The Office Action rejects these claims only generally, i.e., on the same basis as the independent claims, without citing any specific location within the reference as teaching these limitations. Appellants' attorney disagrees with this analysis, and submits that nowhere does the reference teach or suggest the limitations of these claims.

13. Claims 13, 36 and 57

Claims 13, 36 and 57 recite that the earnings on allocated equity comprise earnings generated by lending funds from equity sources. The Office Action rejects these claims only generally, i.e., on the same basis as the independent claims, without citing any specific location within the reference as teaching these limitations. Appellants' attorney disagrees with this analysis, and submits that nowhere does the reference teach or suggest the limitations of these claims.

14. Claims 14, 37 and 58

Claims 14, 37 and 58 recite calculating the Net Income Revenue in a Basic Tier according to:

$IR(a) = AAB(a) * \text{eff rate}_{asset}(a)$,

$COF(a) = AAB(a) * TR_p$,

$IE(a) = ALB(a) * \text{eff rate}_{liability}(a)$, and

$VOF(a) = ALB(a) * TR_p$

wherein:

$AAB(a)$ = Average Asset Balance of an account a,

$ALB(a)$ = Average Liability Balance of the account a,

$\text{eff rate}_{asset}(a)$ = Effective interest rate for the account a as an asset balance,

$\text{eff rate}_{liability}(a)$ = Effective interest rate for the account a as a liability balance,

TR_p = Treatment Rate for a product type p,

$IR(a)$ = the Interest Revenue of the account a,

$COF(a)$ = the Cost of Funds for the account a,

$IE(a)$ = the Interest Expense for the account a, and

$VOF(a)$ = the Value of Funds for the account a.

The Office Action rejects these claims only generally, i.e., on the same basis as the independent claims, without citing any specific location within the reference as teaching these limitations. Appellants' attorney disagrees with this analysis, and submits that nowhere does the reference teach or suggest the limitations of these claims.

15. Claims 15, 38 and 59

Claims 15, 38 and 59 recite that there is a single Treatment Rate for each product type. The Office Action rejects these claims only generally, i.e., on the same basis as the independent claims, without citing any specific location within the reference as teaching these limitations. Appellants' attorney disagrees with this analysis, and submits that nowhere does the reference teach or suggest the limitations of these claims.

16. Claims 16, 39 and 60

Claims 16, 39 and 60 recite calculating the Net Income Revenue in the Basic Tier generates one or more outputs selected from a group comprising the Interest Revenue, Interest

Expense, Cost of Funds, Value of Funds, Lending Spread, and Deposit Spread. The Office Action rejects these claims only generally, i.e., on the same basis as the independent claims, without citing any specific location within the reference as teaching these limitations. Appellants' attorney disagrees with this analysis, and submits that nowhere does the reference teach or suggest the limitations of these claims.

17. Claims 17, 40 and 61

Claims 17, 40 and 61 recite calculating the Net Income Revenue in an Intermediate Tier according to:

IR(a) = Σ AB (c=asset,s,t)(a) * eff rate(c=asset,s,t)(a),

COF(a) = Σ AB (c=asset),s,t)(a) * TR(c=asset,s,t)(pt(a)),

IE(a) = Σ AB (c=liability,s,t)(a) * eff rate(c=liability,s,t)(a), and

VOF(a) = Σ AB (c=liability,s,t)(a) * TR(c=liability,s,t)(pt(a)),

wherein:

AB(c,s,t)(a) = Average Balances of an account a based on class (c), state (s), and tier (t) characteristics of a balance type,

eff rate(c,s,t)(a) = Effective interest rate for the account a based on the class (c), state (s), and tier (t) characteristics of the balance type,

pt(a) = Product type of an account a,

TR(c,s,t)(pt(a)) = Treatment Rate for the accounts a of the product type based on the class (c), state (s), and tier (t) characteristics of the balance type,

IR(a) = the Interest Revenue of the account a,

COF(a) = the Cost of Funds for the account a,

IE(a) = the Interest Expense for the account a, and

VOF (a) = the Value of Funds for the account a.

The Office Action rejects these claims only generally, i.e., on the same basis as the independent claims, without citing any specific location within the reference as teaching these limitations. Appellants' attorney disagrees with this analysis, and submits that nowhere does the reference teach or suggest the limitations of these claims.

18. Claims 18, 41 and 62

Claims 18, 41 and 62 recite that the balance type comprises a combined effect of the class, state, and tier characteristics. The Office Action rejects these claims only generally, i.e., on the same basis as the independent claims, without citing any specific location within the reference as teaching these limitations. Appellants' attorney disagrees with this analysis, and submits that nowhere does the reference teach or suggest the limitations of these claims.

19. Claims 19, 42 and 63

Claims 19, 42 and 63 recite that the class characteristic is defined as either an asset or liability. The Office Action rejects these claims only generally, i.e., on the same basis as the independent claims, without citing any specific location within the reference as teaching these limitations. Appellants' attorney disagrees with this analysis, and submits that nowhere does the reference teach or suggest the limitations of these claims.

20. Claims 20, 43 and 64

Claims 20, 43 and 64 recite that the state characteristic is defined as either cleared, ledger, or float. The Office Action rejects these claims only generally, i.e., on the same basis as the independent claims, without citing any specific location within the reference as teaching these limitations. Appellants' attorney disagrees with this analysis, and submits that nowhere does the reference teach or suggest the limitations of these claims.

21. Claims 21, 44 and 65

Claims 21, 44 and 65 recite that the tier characteristic is defined as tiers used by the organization in supplying balances. The Office Action rejects these claims only generally, i.e., on the same basis as the independent claims, without citing any specific location within the reference as teaching these limitations. Appellants' attorney disagrees with this analysis, and submits that nowhere does the reference teach or suggest the limitations of these claims.

22. Claims 22, 45 and 66

Claims 22, 45 and 66 recite calculating the Net Income Revenue in the Basic Tier generates one or more outputs selected from a group comprising the Interest Revenue, Interest Expense, Cost of Funds, Value of Funds, Lending Spread, and Deposit Spread. The Office Action rejects these claims only generally, i.e., on the same basis as the independent claims, without citing any specific location within the reference as teaching these limitations. Appellants' attorney disagrees with this analysis, and submits that nowhere does the reference teach or suggest the limitations of these claims.

VIII. CONCLUSION

In light of the above arguments, Appellants' attorney respectfully submits that the cited references do not anticipate nor render obvious the claimed invention. More specifically, Appellants' claims recite novel physical features which patentably distinguish over any and all references under 35 U.S.C. §§ 102 and 103.

As a result, a decision by the Board of Patent Appeals and Interferences reversing the Examiner and directing allowance of the pending claims in the subject application is respectfully solicited.

Respectfully submitted,

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CLAIMS APPENDIX

1. A method of performing financial processing in a computer, comprising:

(a) accessing account, event and organization attributes from a database accessible by the computer, wherein: (1) the account attributes comprise data about accounts being measured, (2) the event attributes comprise data about account-related transactions, and (3) the organization attributes comprise data about the organization's financial status;

(b) performing one or more profitability calculations in the computer using the account, event and organization attributes accessed from the database, as well as one or more profit factors and one or more rules, wherein the profitability calculations include:

Profit = Net Interest Revenue (NIR)
\+ Other Revenue (OR)
\- Direct Expense (DE)
\- Indirect Expense (IE)
\- Risk Provision (RP)

(c) wherein the Net Interest Revenue (NIR) is calculated as:

NIR = Interest Revenue
– Cost of Funds
\+ Value of Funds
– Interest Expense.

2. The method of claim 1, wherein the Net Interest Revenue is calculated for every account.

3. The method of claim 1, wherein the Net Interest Revenue represents a total interest generated from all deposit and lending activities.

4. The method of claim 1, wherein the Net Interest Revenue is calculated from a Deposit Spread, a Lending Spread, and an Asset/Liability Management (ALM) Spread.

5. The method of claim 4, wherein the Deposit Spread comprises a difference between the Interest Expense and the Value of Funds.

6. The method of claim 5, wherein the Interest Expense comprises a cost of borrowing funds.

7. The method of claim 5, wherein the Value of Funds represents a rate at which borrowed funds could be invested.

8. The method of claim 4, wherein the Lending Spread comprises a difference between the Cost of Funds and the Interest Revenue.

9. The method of claim 8, wherein the Interest Revenue comprises a return generated by lending funds.

10. The method of claim 8, wherein the Costs of Funds represents an expense generated by lending funds.

11. The method of claim 4, wherein the Asset/Liability Management Spread comprises a difference between maturity characteristics of funds lent.

12. The method of claim 1, wherein the Net Interest Revenue also includes earnings on allocated equity.

13. The method of claim 12, wherein the earnings on allocated equity comprise earnings generated by lending funds from equity sources.

14. The method of claim 1, further comprising calculating the Net Income Revenue in a Basic Tier according to:

$IR(a) = AAB(a) * \text{eff rate}_{asset}(a)$,

$COF(a) = AAB(a) * TR_p$,

$IE(a) = ALB(a) * \text{eff rate}_{liability}(a)$, and

$VOF(a) = ALB(a) * TR_p$

wherein:

$AAB(a)$ = Average Asset Balance of an account a,

$ALB(a)$ = Average Liability Balance of the account a,

$\text{eff rate}_{asset}(a)$ = Effective interest rate for the account a as an asset balance,

$\text{eff rate}_{liability}(a)$ = Effective interest rate for the account a as a liability balance,

TR_p = Treatment Rate for a product type p,

$IR(a)$ = the Interest Revenue of the account a,

$COF(a)$ = the Cost of Funds for the account a,

$IE(a)$ = the Interest Expense for the account a, and

$VOF(a)$ = the Value of Funds for the account a.

15. The method of claim 14, wherein there is a single Treatment Rate for each product type.

16. The method of claim 14, wherein the step of calculating the Net Income Revenue in the Basic Tier generates one or more outputs selected from a group comprising the Interest Revenue, Interest Expense, Cost of Funds, Value of Funds, Lending Spread, and Deposit Spread.

17. The method of claim 1, further comprising calculating the Net Income Revenue in an Intermediate Tier according to:

$IR(a) = \Sigma\ AB\ (c{=}asset,s,t)(a) * \text{eff rate}(c{=}asset,s,t)(a)$,

$COF(a) = \Sigma\ AB\ (c{=}asset),s,t)(a) * TR(c{=}asset,s,t)(pt(a))$,

$IE(a) = \Sigma\ AB\ (c{=}liability,s,t)(a) * \text{eff rate}(c{=}liability,s,t)(a)$, and

$VOF(a) = \Sigma\ AB\ (c{=}liability,s,t)(a) * TR(c{=}liability,s,t)(pt(a))$,

wherein:

$AB(c,s,t)(a)$ = Average Balances of an account a based on class (c), state (s), and tier (t) characteristics of a balance type,

$\text{eff rate}(c,s,t)(a)$ = Effective interest rate for the account a based on the class (c), state (s), and tier (t) characteristics of the balance type,

pt(a) = Product type of an account a,

TR(c,s,t)(pt(a)) = Treatment Rate for the accounts a of the product type based on the class (c), state (s), and tier (t) characteristics of the balance type,

IR(a) = the Interest Revenue of the account a,

COF(a) = the Cost of Funds for the account a,

IE(a) = the Interest Expense for the account a, and

VOF (a) = the Value of Funds for the account a.

18. The method of claim 17, wherein the balance type comprises a combined effect of the class, state, and tier characteristics.

19. The method of claim 18, wherein the class characteristic is defined as either an asset or liability.

20. The method of claim 18, wherein the state characteristic is defined as either cleared, ledger, or float.

21. The method of claim 18, wherein the tier characteristic is defined as tiers used by the organization in supplying balances.

22. The method of claim 17, wherein the step of calculating the Net Income Revenue in the Basic Tier generates one or more outputs selected from a group comprising the Interest Revenue, Interest Expense, Cost of Funds, Value of Funds, Lending Spread, and Deposit Spread.

23. A system for financial processing, comprising:

a computer;

logic, performed by the computer, for:

(a) accessing account, event and organization attributes from a database accessible by the computer, wherein: (1) the account attributes comprise data about accounts being measured, (2) the event attributes comprise data about account-related transactions, and (3) the organization attributes comprise data about the organization's

financial status;

(b) performing one or more profitability calculations in the computer using the account, event and organization attributes accessed from the database, as well as one or more profit factors and one or more rules, wherein the profitability calculations include:

Profit	=	Net Interest Revenue (NIR)
	+	Other Revenue (OR)
	-	Direct Expense (DE)
	-	Indirect Expense (IE)
	-	Risk Provision (RP)

(c) wherein the Net Interest Revenue (NIR) is calculated as:

NIR	=	Interest Revenue
	–	Cost of Funds
	+	Value of Funds
	–	Interest Expense.

24. An article of manufacture embodying logic for performing financial processing in a computer, comprising:

(a) accessing account, event and organization attributes from a database accessible by the computer, wherein: (1) the account attributes comprise data about accounts being measured, (2) the event attributes comprise data about account-related transactions, and (3) the organization attributes comprise data about the organization's financial status;

(b) performing one or more profitability calculations in the computer using the account, event and organization attributes accessed from the database, as well as one or more profit factors and one or more rules, wherein the profitability calculations include:

Profit	=	Net Interest Revenue (NIR)
	+	Other Revenue (OR)
	-	Direct Expense (DE)
	-	Indirect Expense (IE)
	-	Risk Provision (RP)

(c) wherein the Net Interest Revenue (NIR) is calculated as:

NIR	=	Interest Revenue

– Cost of Funds
+ Value of Funds
– Interest Expense.

25. The system of claim 23, wherein the Net Interest Revenue is calculated for every account.

26. The system of claim 23, wherein the Net Interest Revenue represents a total interest generated from all deposit and lending activities.

27. The system of claim 23, wherein the Net Interest Revenue is calculated from a Deposit Spread, a Lending Spread, and an Asset/Liability Management (ALM) Spread.

28. The system of claim 27, wherein the Deposit Spread comprises a difference between the Interest Expense and the Value of Funds.

29. The system of claim 28, wherein the Interest Expense comprises a cost of borrowing funds.

30. The system of claim 28, wherein the Value of Funds represents a rate at which borrowed funds could be invested.

31. The system of claim 27, wherein the Lending Spread comprises a difference between the Cost of Funds and the Interest Revenue.

32. The system of claim 31, wherein the Interest Revenue comprises a return generated by lending funds.

33. The system of claim 31, wherein the Costs of Funds represents an expense generated by lending funds.

34. The system of claim 27, wherein the Asset/Liability Management Spread comprises a difference between maturity characteristics of funds lent.

35. The system of claim 23, wherein the Net Interest Revenue also includes earnings on allocated equity.

36. The system of claim 35, wherein the earnings on allocated equity comprise earnings generated by lending funds from equity sources.

37. The system of claim 23, further comprising logic for calculating the Net Income Revenue in a Basic Tier according to:

$IR(a) = AAB(a) * \text{eff rate}_{asset}(a)$,

$COF(a) = AAB(a) * TR_p$,

$IE(a) = ALB(a) * \text{eff rate}_{liability}(a)$, and

$VOF (a) = ALB(a) * TR_p$

wherein:

$AAB(a)$ = Average Asset Balance of an account a,

$ALB(a)$ = Average Liability Balance of the account a,

$\text{eff rate}_{asset}(a)$ = Effective interest rate for the account a as an asset balance,

$\text{eff rate}_{liability}(a)$ = Effective interest rate for the account a as a liability balance,

TR_p = Treatment Rate for a product type p,

$IR(a)$ = the Interest Revenue of the account a,

$COF(a)$ = the Cost of Funds for the account a,

$IE(a)$ = the Interest Expense for the account a, and

$VOF(a)$ = the Value of Funds for the account a.

38. The system of claim 37, wherein there is a single Treatment Rate for each product type.

39. The system of claim 37, wherein the logic for calculating the Net Income Revenue in the Basic Tier generates one or more outputs selected from a group comprising the

Interest Revenue, Interest Expense, Cost of Funds, Value of Funds, Lending Spread, and Deposit Spread.

40. The system of claim 23, further comprising logic for calculating the Net Income Revenue in an Intermediate Tier according to:

IR(a) = Σ AB (c=asset,s,t)(a) * eff rate(c=asset,s,t)(a),

COF(a) = Σ AB (c=asset),s,t)(a) * TR(c=asset,s,t)(pt(a)),

IE(a) = Σ AB (c=liability,s,t)(a) * eff rate(c=liability,s,t)(a), and

VOF(a) = Σ AB (c=liability,s,t)(a) * TR(c=liability,s,t)(pt(a)),

wherein:

AB(c,s,t)(a) = Average Balances of an account a based on class (c), state (s), and tier (t) characteristics of a balance type,

eff rate(c,s,t)(a) = Effective interest rate for the account a based on the class (c), state (s), and tier (t) characteristics of the balance type,

pt(a) = Product type of an account a,

TR(c,s,t)(pt(a)) = Treatment Rate for the accounts a of the product type based on the class (c), state (s), and tier (t) characteristics of the balance type,

IR(a) = the Interest Revenue of the account a,

COF(a) = the Cost of Funds for the account a,

IE(a) = the Interest Expense for the account a, and

VOF (a) = the Value of Funds for the account a.

41. The system of claim 40, wherein the balance type comprises a combined effect of the class, state, and tier characteristics.

42. The system of claim 41, wherein the class characteristic is defined as either an asset or liability.

43. The system of claim 41, wherein the state characteristic is defined as either cleared, ledger, or float.

44. The system of claim 41, wherein the tier characteristic is defined as tiers used by the organization in supplying balances.

45. The system of claim 40, wherein the step of logic for calculating the Net Income Revenue in the Basic Tier generates one or more outputs selected from a group comprising the Interest Revenue, Interest Expense, Cost of Funds, Value of Funds, Lending Spread, and Deposit Spread.

46. The article of claim 24, wherein the Net Interest Revenue is calculated for every account.

47. The article of claim 24, wherein the Net Interest Revenue represents a total interest generated from all deposit and lending activities.

48. The article of claim 24, wherein the Net Interest Revenue is calculated from a Deposit Spread, a Lending Spread, and an Asset/Liability Management (ALM) Spread.

49. The article of claim 48, wherein the Deposit Spread comprises a difference between the Interest Expense and the Value of Funds.

50. The article of claim 49, wherein the Interest Expense comprises a cost of borrowing funds.

51. The article of claim 49, wherein the Value of Funds represents a rate at which borrowed funds could be invested.

52. The article of claim 48, wherein the Lending Spread comprises a difference between the Cost of Funds and the Interest Revenue.

53. The article of claim 52, wherein the Interest Revenue comprises a return generated by lending funds.

54. The article of claim 52, wherein the Costs of Funds represents an expense generated by lending funds.

55. The article of claim 48, wherein the Asset/Liability Management Spread comprises a difference between maturity characteristics of funds lent.

56. The article of claim 24, wherein the Net Interest Revenue also includes earnings on allocated equity.

57. The article of claim 56, wherein the earnings on allocated equity comprise earnings generated by lending funds from equity sources.

58. The article of claim 24, further comprising calculating the Net Income Revenue in a Basic Tier according to:

$IR(a) = AAB(a) * \text{eff rate}_{asset}(a)$,

$COF(a) = AAB(a) * TR_p$,

$IE(a) = ALB(a) * \text{eff rate}_{liability}(a)$, and

$VOF(a) = ALB(a) * TR_p$

wherein:

$AAB(a)$ = Average Asset Balance of an account a,

$ALB(a)$ = Average Liability Balance of the account a,

$\text{eff rate}_{asset}(a)$ = Effective interest rate for the account a as an asset balance,

$\text{eff rate}_{liability}(a)$ = Effective interest rate for the account a as a liability balance,

TR_p = Treatment Rate for a product type p,

$IR(a)$ = the Interest Revenue of the account a,

$COF(a)$ = the Cost of Funds for the account a,

$IE(a)$ = the Interest Expense for the account a, and

$VOF(a)$ = the Value of Funds for the account a.

59. The article of claim 58, wherein there is a single Treatment Rate for each product type.

60. The article of claim 58, wherein the step of calculating the Net Income Revenue in the Basic Tier generates one or more outputs selected from a group comprising the Interest Revenue, Interest Expense, Cost of Funds, Value of Funds, Lending Spread, and Deposit Spread.

61. The article of claim 24, further comprising calculating the Net Income Revenue in an Intermediate Tier according to:

IR(a) = Σ AB (c=asset,s,t)(a) * eff rate(c=asset,s,t)(a),

COF(a) = Σ AB (c=asset),s,t)(a) * TR(c=asset,s,t)(pt(a)),

IE(a) = Σ AB (c=liability,s,t)(a) * eff rate(c=liability,s,t)(a), and

VOF(a) = Σ AB (c=liability,s,t)(a) * TR(c=liability,s,t)(pt(a)),

wherein:

AB(c,s,t)(a) = Average Balances of an account a based on class (c), state (s), and tier (t) characteristics of a balance type,

eff rate(c,s,t)(a) = Effective interest rate for the account a based on the class (c), state (s), and tier (t) characteristics of the balance type,

pt(a) = Product type of an account a,

TR(c,s,t)(pt(a)) = Treatment Rate for the accounts a of the product type based on the class (c), state (s), and tier (t) characteristics of the balance type,

IR(a) = the Interest Revenue of the account a,

COF(a) = the Cost of Funds for the account a,

IE(a) = the Interest Expense for the account a, and

VOF (a) = the Value of Funds for the account a.

62. The article of claim 61, wherein the balance type comprises a combined effect of the class, state, and tier characteristics.

63. The article of claim 62, wherein the class characteristic is defined as either an asset or liability.

64. The article of claim 62, wherein the state characteristic is defined as either cleared, ledger, or float.

65. The article of claim 62, wherein the tier characteristic is defined as tiers used by the organization in supplying balances.

66. The article of claim 61, wherein the step of calculating the Net Income Revenue in the Basic Tier generates one or more outputs selected from a group comprising the Interest Revenue, Interest Expense, Cost of Funds, Value of Funds, Lending Spread, and Deposit Spread.

EVIDENCE APPENDIX

None.

RELATED PROCEEDINGS APPENDIX

None.